

Highlights

Revenues:

Listed below is a summary chart of the major General Fund revenue estimates.

Major General Fund Revenues

	2009-10 Actual	2010-11 Budget	2011-12 Adopted	2012-13 Projected
<i>Property Tax</i>	145,707,159	146,279,620	143,100,970	146,989,765
<i>Sales Tax</i>	35,755,233	37,195,470	37,268,480	38,380,530
<i>State Collected Local Revenues</i>	18,931,587	19,478,245	20,111,503	20,478,748
<i>ABC Profit Distribution</i>	2,541,608	2,677,600	2,731,200	2,785,800
<i>Building Permit Revenue</i>	1,623,387	1,677,846	1,828,148	1,859,663
<i>All Other</i>	32,589,593	33,497,477	33,885,821	34,280,523
<i>Transfers from Other Funds</i>	8,230,310	9,370,639	8,169,271	7,023,799
<i>Appropriated Fund Balance</i>	6,544,541	5,139,505	2,321,163	4,849,217
<i>Total</i>	251,923,418	255,316,402	249,416,556	256,648,045

Property Tax

The Adopted FY 11-12 General Fund Budget is balanced with a 59.18 cent tax rate, slightly lower than the current year rate of 59.75. 0.7 cents of the tax rate previously credited to the General Fund and subsequently transferred to the Housing Partnership Fund will now be dedicated to the Housing Partnership Fund. The General Fund tax rate gains 0.13 cents through a like reduction in the Transit fund tax rate.

Little to no tax base growth is expected during FY 11-12 and only about 1.0% growth is projected for FY 12-13. Growth estimates are based on tax base growth projections received from the Guilford County Tax Department.

The second year General Fund budget is balanced with a 60.18 cent tax rate, the equivalent of a 1 cent rate increase over the adopted rate for FY 11-12.

Sales Tax

Sales tax revenue, including revenue from the rental vehicle gross receipts tax, is expected to increase over the previous fiscal year for the first time since 2008. The projected increase over last year is only about 2%, however, and is still below budget for FY 10-11. Sales tax revenue is budgeted at \$37.3 million for FY 11-12, less than \$100,000 higher than the current year budget and only about 2.25% higher than current year estimates.

State Collected Local Revenues/Cable Access

State collected local revenues include Utility and Franchise Taxes and Beer and Wine Taxes. These are traditional local government revenues which the State of North Carolina collects for local governments. The budget figures show about a 3% increase over the current year estimates for this revenue category.

Electric Utility Franchise Tax revenue is expected to show a moderate increase of about 4-5% in the current year. For FY 11-12, the anticipated growth rate is set at 4%.

Effective January 1, 2007, the State eliminated local franchising authority on cable services and repealed local franchise taxes, replacing them with a state sales tax. Local governments will receive a share of the state sales tax on video programming, telecommunications and satellite television services. As these revenues are now considered to be state shared revenues, they are captured in the State Collected Local Revenue category. Current year projections for these revenues are slightly below last year's actual amounts and no growth is anticipated for FY 11-12.

ABC Profit Distribution

The Greensboro ABC Board distributes its net profits (after deducting amounts required for law enforcement, education and working capital) as follows: 91.75% is distributed to Greensboro with the remaining 8.25% distributed among Guilford County and municipalities without ABC outlets. The budget for next year estimates an increase of about 2% over the current year revised estimate.

Building Development Fees

Building development fee revenue, such as building permit fees, will show their first increase in four years during FY 10-11. Significant construction in governmental, education and non-profit sectors have helped to spur this improvement. Still, estimated revenues of \$1.8 million for FY 10-11 are well below the \$2.9 million recorded in FY 06-07. Revenues for FY 11-12 are projected to remain steady at roughly \$1.8 million.

Other Revenues

Other revenues in the General Fund include departmental charges, user fees, fines, licenses and other miscellaneous revenues. These revenues are estimated at \$33.9 million, about \$400,000 above the current year budget. Budgeted parking violations revenue is expected to increase both due to increased fine amounts and stepped up collection efforts that will be contracted out.

The FY 11-12 budget includes a reimbursement from Guilford County for the operation of Hagan-Stone Park equal to roughly 100% of the net cost of operation. The contribution from Guilford County for library support is budgeted at \$1,447,000, based on an agreement reached between the City and Guilford County effective with the FY 11-12 fiscal year.

Decreases in other revenues included in this category are offsetting some of the revenue growth that would otherwise be experienced by the previously mentioned sources. For example, commercial refuse collection fees, generated by Field Operations collection service, are projected at \$5.8 million for FY 11-12, about 10% below the current year budget, due to a slight decline in demand for this service.

Transfers from Other Funds

The General Fund typically receives transfers from Special Revenue Funds which have been established to account for specific revenue sources received by the City. The transfer from the State Highway Gasoline Tax Fund (Powell Bill) is budgeted at \$5.7 million to offset a variety of eligible transportation expenses budgeted in the General Fund. The General Fund will receive a \$330,000 contribution from the Network Services Fund, a \$717,000 contribution from the Employee Insurance Fund and an \$209,000 contribution from the General Insurance Fund, all to help balance the General Fund budget without a tax rate increase.

Fund Balance

The fund balance appropriation for the Adopted FY 11-12 Budget is \$2.3 million, or 0.9%, of the total budget. This percentage of the total budget is below the 2% of budget levels of appropriated fund balance necessary in previous years to balance the General Fund Budget. This relatively lower reliance on fund balance is made possible by the various budget reductions that are implemented as part of the FY 11-12 budget. This does not include additional fund balance appropriations that will be necessary to carry forward outstanding purchase orders at the end of FY 10-11.

Early projections for FY 11-12 have appropriated fund balance at 1.9% of the projected budget.